

**BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY**

Meeting Date: August 17, 2005

Division: County Attorney

Bulk Item: Yes ☐ No ☒

Department: County Attorney – Bob Shillinger x 3470

AGENDA ITEM WORDING: Authorization to 1) initiate legal action against Ricky and Barbara Allen to foreclose the County's SHIP loan and 2) negotiate purchase of Wells Fargo Bank's first mortgage.

ITEM BACKGROUND: On April 14, 2000, the County loaned \$36,000 to Mr. and Mrs. Allen under the SHIP loan program. For the second time in two years, the County has been named as a defendant in foreclosure actions due to allegations that the Allens have defaulted on the first mortgage. *See, Wells Fargo Bank v. Ricky Allen, Barbara Allen, Monroe County, et al., CA M 05-177.* Wells Fargo alleges that it has not received any payments from the Allens since February of 2005. The filing of that suit constitutes a breach of the terms of the SHIP mortgage the County extended to the Allens.

In order to protect the County's interest in the property, staff is seeking authorization to 1) foreclose the County's SHIP mortgage; and 2) purchase Wells Fargo's first mortgage. Although an exact figure has not yet been provided, Wells Fargo's is seeking approximately \$87,000.00 in its action.

If the County were to obtain the property, the Housing Authority would impose affordability restrictions on any further transfers. The property in question is located at 2383 Dolphin Drive in Marathon and was valued at just over \$200,000 by the Property Appraiser's office in 2004. Three other properties in the subdivision are listed for sale for 2-3 times that amount.

PREVIOUS RELEVANT BOCC ACTION: none.

CONTRACT/AGREEMENT CHANGES: n/a

STAFF RECOMMENDATIONS: Approval.

TOTAL COST: @\$90,000.00

BUDGETED: Yes ☐ No ☐

COST TO COUNTY: n/a

SOURCE OF FUNDS: n/a

REVENUE PRODUCING: Yes ☒ No ☐ **AMOUNT PER MONTH** n/a **Year** n/a

APPROVED BY: County Atty ☒ OMB/Purchasing ☐ Risk Management ☐

DIVISION DIRECTOR APPROVAL: John R. Collins 08/19/05
John R. Collins, County Attorney

DOCUMENTATION: Included ☐ Not Required ☒

DISPOSITION: _____ **AGENDA ITEM #** _____